



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

MAR 8 2005

In reply refer to:  
I-05-001570-FPS

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Initial Deposit for Cases Funded with FMS Credit (Non-Repayable) and/or MAP Merger (DSCA 05-09) [SAMM E-Change 28]

REFERENCE: DSCA Memorandum I-07943/99, dated June 21, 1999

Referenced memorandum established the policy that initial deposit for new cases financed with FMS Credit (non-repayable) would be equal to the Estimated Total Costs of the Letter of Offer and Acceptance. This memorandum rescinds that policy and updates the Security Assistance Management Manual (SAMM).

SAMM Paragraph C9.9.1.1. is replaced in its entirety with the following:

C9.9.1.1. Payment Schedule Requirement. A payment schedule is developed for each case unless the Term of Sale is "Cash With Acceptance," or the case is fully funded with FMS Credit (Non-Repayable) and/or MAP Merger, the total case value is less than \$5M, and the country is not authorized cash flow financing. In these instances, the Initial Deposit covers the entire case value. The following paragraphs provide criteria for developing payment schedules.

SAMM Table C9.T10 is amended as follows:

Table C9.T10. Initial Deposit Requirements

Condition	Initial Deposit Amount *
<ul style="list-style-type: none"><li>- Delivery of the defense article or service is within 90 days of LOA acceptance.</li><li>- The Term of Sale is "Cash With Acceptance."</li></ul>	Full case value
<ul style="list-style-type: none"><li>- Total performance is anticipated to be completed before DFAS Denver can bill and collect additional payments.</li><li>- The Term of Sale is "Cash With Acceptance."</li></ul>	Full case value
<ul style="list-style-type: none"><li>- Cash sale from procurement when the purchaser is not authorized Dependable Undertaking.</li></ul>	Full case value
<ul style="list-style-type: none"><li>- Case is financed wholly with "FMS Credit (Non-Repayable)" or "MAP Merger," and</li><li>- Case value is less than \$5,000,000, and</li><li>- Country is not authorized cash flow financing.</li></ul>	Full case value

Condition	Initial Deposit Amount *
Delivery of the defense article or service is longer than 90 days after LOA acceptance.	Dollar value associated with performance until a quarterly payment can be made plus half of the total Administrative Surcharge
- No performance scheduled on the case and no contractual actions occur during the period prior to the first quarterly payment.	Half of the total Administrative Surcharge
- When items are placed on contract before the first quarterly payment and no SBLC applies.	Half of the total Administrative Surcharge; plus that portion of TL required if the contract is terminated during the period covered by the Initial Deposit; plus contractor holdback

\* If the case is partially funded by FMS Credit (Non-Repayable) and/or MAP Merger Funds (except when cash flow financing is approved) the deposit should be at least the amount of the FMS Credit (Non-Repayable) and/or MAP Merger Funding.

SAMM Paragraphs C9.9.3.1. and C9.9.3.2. are replaced as follows:

**C9.9.3.1. Payment Schedule Revision Format for Amendments.**

Amendments use the payment schedule format in Table C9.T11. When either the Term of Sale is "Cash With Acceptance," or the case is fully funded with FMS Credit (Non-Repayable) and/or MAP Merger, the total cash value is less than \$5M, and cash flow financing is not authorized, the Amount Due with Amendment Acceptance will equal the increase in case value.

**C9.9.3.2. Payment Schedule Revision Format for Modifications.**

Modifications use the payment schedule format in Table C9.T12. When either the Term of Sales is "Cash With Acceptance," or the case is fully funded with FMS Credit (Non-Repayable) and/or MAP Merger, the total cash value is less than \$5M, and cash flow financing is not authorized, the next quarterly payment due will equal the increase in case value.

This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 28. If you have any questions concerning this change please contact DSCA/BUSOPS-FPS points of contact Jan Rakickas, 303-676-6172, e-mail Jan.Rakickas@dfas.mil, or Candy Donaldson, 303-676-5905, e-mail Candy.Donaldson@dfas.mil.



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